

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 2534 – SB 2535**

February 12, 2010

**SUMMARY OF BILL:** Authorizes county clerks to inspect at county clerk offices motor vehicles with salvage titles prior to the issuance of rebuilt certificates of title. Requires all county clerks conducting inspections to forward all required documents and fees to the Department of Revenue (DOR) for the issuance of a motor vehicle title. Authorizes county clerks to collect a fee for inspection up to a maximum of \$37.50 per inspection.

**ESTIMATED FISCAL IMPACT:**

**State Revenue – Net Impact – Not Significant/Recurring  
Increase State Expenditures - \$50,000/One-Time**

**Increase Local Revenue – Up to \$172,900/Recurring  
Increase Local Expenditures – Exceeds \$46,100/Recurring/Permissive**

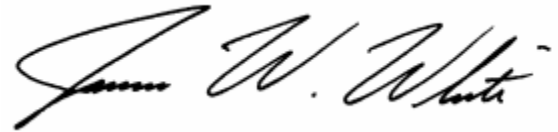
**Assumptions:**

- According to the Department of Revenue, 92,221 rebuilt titles were issued in CY2009.
- Approximately five percent (4,611) of inspections will be done by the county clerk under the provisions of this bill.
- Local governments charge a fee up to a maximum of \$37.50 per inspection. This fee is in addition to current fees that accrue to the state pursuant to Tenn. Code Ann. § 55-3-208(c)(1). Therefore, any net change to state revenue is considered not significant.
- The increase to local government revenue derived from inspection fees is estimated as an unknown amount up to \$172,900 per year ( $4,611 \times \$37.50 = \$172,912.50$ ).
- Local governments electing to conduct inspections will experience an increase in expenditures for the cost of conducting inspections. The cost of conducting any such inspection is unknown; however, the cost is reasonably estimated to be a minimum of \$10 per vehicle. Therefore, the increase to local government expenditures is estimated to exceed \$46,100 per year ( $4,611 \text{ vehicles} \times \$10 \text{ minimum} = \$46,110$ ).

- There will be a one-time increase to state expenditures estimated to be \$50,000 for required modifications to the titling and registration computer system (TRUST system).

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc